

Town of Fenwick Island



PRESENTATION OF FINANCIAL STATEMENTS

JANUARY 25, 2019

FOR

JULY 31, 2018



Auditor Reports

Pages 1 through 2 of the Basic Financial Statements

- Unmodified
 - Highest level of opinion Certified Public Accountants can give
 - Change in Accounting Principle

Pages 48 through 50 of the Financial Statements

- Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*
 - Not an opinion report
 - No instances of noncompliance or material weaknesses identified
 - Schedule of findings and responses on page 50

New Accounting Principle Implemented

- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*
 - Cost Sharing Pension Plan through DPERS
 - Net Pension Liability
 - Deferred Inflows and Outflows
 - Additional footnotes and disclosures
- Only effects the Government-wide financial statements

Key Financial Highlights- Government Wide Financial Statements

- Primary Government includes all governmental funds
 - General Fund
 - Realty Transfer Tax
 - Municipal Street Aid
 - Non-major funds
- Governmental Activities
 - Deferred inflows and outflows reflecting changes in GASB 68
 - Unrestricted Net Position totaling \$440,000
 - Restricted and Unrestricted combined increased by \$40,000 from 2017

Statements of Net Position

	Governmental Activities July 31, 2018	Governmental Activities (as restated) July 31, 2017	Change
Assets			
Current and other assets	\$ 2,140,214	\$ 2,028,090	\$ 112,124
Capital assets, net	2,520,307	2,615,058	(94,751)
Total assets	4,660,521	4,643,148	17,373
Deferred outflows of resources	141,588	86,681	54,907
Liabilities			
Current liabilities	88,413	103,941	(15,528)
Long-term liabilities	276,284	172,195	104,089
Total liabilities	364,697	276,136	88,561
Deferred inflows of resources	75,678	30,614	45,064
Net position			
Net investment in capital assets	2,520,307	2,615,058	(94,751)
Restricted	1,397,397	1,336,739	60,658
Unrestricted	444,030	471,282	(27,252)
Total net position	\$ 4,361,734	\$ 4,423,079	\$ (61,345)

Statements of Revenues, Expenses, and Changes in Net Position

	Governmental Activities	Governmental Activities (as restated)	
	July 31, 2018	July 31, 2017	Change
Revenues			
Program revenues			
Charges for services	\$ 649,965	\$ 672,513	\$ (22,548)
Capital grants and contributions	61,608	46,971	14,637
Operating grants and contributions	165,903	135,205	30,698
General revenues			
Taxes - property/rental	1,044,716	1,033,375	11,341
Realty transfer tax	290,034	280,633	9,401
Fines and forfeitures	484	2,964	(2,480)
Unrestricted investment earnings	13,024	11,857	1,167
Miscellaneous	87,769	71,233	16,536
Total revenues	<u>2,313,503</u>	<u>2,254,751</u>	<u>58,752</u>
Expenses			
Administrative	382,830	320,660	62,170
Police department	795,006	733,905	61,101
Beach patrol	326,418	293,012	33,406
Public works (includes MSA expenses)	391,503	364,661	26,842
General government	479,091	484,625	(5,534)
Total expenses	<u>2,374,848</u>	<u>2,196,863</u>	<u>177,985</u>
Change in net position	(61,345)	57,888	(119,233)
Net position - August 1st	<u>4,423,079</u>	<u>4,365,191</u>	<u>57,888</u>
Net position - July 31st	<u>\$ 4,361,734</u>	<u>\$ 4,423,079</u>	<u>\$ (61,345)</u>

Key Financial Highlights – General Fund

- General Fund

- Unassigned fund balance remains strong at \$409,409 or 87% of fund balance
- Total general fund revenues increased by \$100,000 from 2017
- Total general fund expenditures increased by \$20,000 from 2017
- There was an increase in fund balance of \$45,000

- Budget to Actual Revenues and Expenditures

- Actual revenues were \$35,000 less than budgeted due to a reporting change of the realty transfer tax revenues
- Actual expenditures were \$13,000 more than budgeted.

General Fund Budget to Actual

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 1,004,585	\$ 1,004,585	\$ 1,038,674	\$ 34,089
Intergovernmental	177,149	177,149	227,236	50,087
Charges for services	611,662	611,662	613,689	2,027
Fine and forfeitures	37,000	37,000	36,560	(440)
Realty transfer taxes	135,129	135,129		(135,129)
Miscellaneous	75,177	75,177	88,865	13,688
Total revenues	<u>2,040,702</u>	<u>2,040,702</u>	<u>2,005,024</u>	<u>(35,678)</u>

General Fund Budget to Actual

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
EXPENDITURES				
Current				
General government	392,134	392,134	423,871	(31,737)
Administrative	413,925	413,925	362,582	51,343
Police department	692,593	692,593	709,658	(17,065)
Beach patrol	306,937	306,937	316,744	(9,807)
Public works	235,113	235,113	236,896	(1,783)
Capital outlay			4,666	(4,666)
Total expenditures	<u>2,040,702</u>	<u>2,040,702</u>	<u>2,054,417</u>	<u>(13,715)</u>
Revenues under expenditures			(49,393)	(49,393)
OTHER FINANCING SOURCES				
Transfers in			94,888	94,888
Net change in fund balances	<u>\$</u>	<u>\$</u>	<u>\$ 45,495</u>	<u>\$ 45,495</u>

Auditor Communications

Management Letter on Pages 1 through 3

- Reducing number of credit cards
- Credit card documentation
- Employee Service Awards/Personnel manual
- Account Reconciliations
- Sick/Vacation Leave Policy
- Payroll time sheets
- New Uniform Guidance Procurement Standards
 - Conflict of Interest Statements

Required Auditor Communications with Those Charged with Governance on Pages 4 through 8

Looking Forward

GASB Statement No. 84 – Fiduciary Activities

- Effective for the Town's year end July 31, 2020
- Redefines what activities need to be reported as "fiduciary"

GASB Statement No. 87 – Leases

- Effective for the Town's year end July 31, 2021
- Requires the recognition of certain lease assets and liabilities previously classified as operating leases

Questions

